

# **STATEMENT OF SENATOR CHARLES E. GRASSLEY**

**Chairman, Special Committee on Aging**

**Improving Accountability in Medicare Managed Care:**

**The Consumer's Need For  
Better Information**

Thursday, April 10, 1997

As chairman of the Senate Special Committee on Aging, I would like to welcome my colleagues and the witnesses here today to this morning's hearing. The focus of the hearing will be on how Congress and the Administration can provide better information to Medicare beneficiaries when they are trying to select the right health plan to meet their health care needs. The choice of health plans in Medicare is increasing at a rapid rate. As we look to ways to provide more options for Medicare beneficiaries, we need to make sure the right information is available so they can make informed decisions.

By the end of 1996, approximately 13 percent of the Medicare population, or 4.9 million beneficiaries were enrolled in managed care plans, compared with only 5 percent in 1990. The Congressional Budget Office predicts that this figure will approach 25 percent of the total Medicare population by the year 2002. As more beneficiaries decide to enroll in Medicare managed care, there is increasing concern among seniors and their advocates that they are not being informed about their health care coverage. Current law requires that Medicare beneficiaries are provided with certain information, but according to testimony we will hear this morning it is not adequate and it is not provided in a useful format.

At a recent hearing before the House Ways and Means Health Subcommittee, Stan Jones, chairman of the Institute of Medicine, testified that the information provided to Medicare beneficiaries about the differences in health plans "appears primitive" compared with what is available to private purchasers. He said, "many elderly are making these new choices [about managed care] without enough information to judge which option is best for them, what the plan they choose will actually cover, or how the plan will operate."

This morning, we will hear a real life example of someone who recently became eligible for Medicare and is trying to decide what plan to select, but can't seem to get the information he needs. We will hear from experts in the field and from the Government Accounting Office about ways we can improve what and how information is being provided by Medicare. I would just like to note that we invited the Health Care Financing Administration (HCFA) to testify about HCFA's plans regarding information provided on health plans to Medicare beneficiaries, but they declined to appear.

I believe this issue of consumer information is so important, I plan to introduce legislation this month to address this and several other important beneficiary protections in Medicare managed care. As we will learn shortly from our witnesses, the information Medicare recipients' need is already being collected by Medicare, but it is not reaching the beneficiary. This is a problem we should be able to address right away in a common sense manner.

Medicare reform will probably not occur with one broad, comprehensive legislative initiative. We tried that last Congress, and it failed. Instead, reform will happen through incremental steps to make the

program work better for seniors. Improving what and how information in Medicare is provided has bipartisan support. We should act quickly in areas of consensus to help older Americans. Medicare beneficiaries can't afford for us to put these decisions off until tomorrow.

I look forward to hearing testimony from all the witnesses this morning. I hope we all leave this hearing better informed.

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